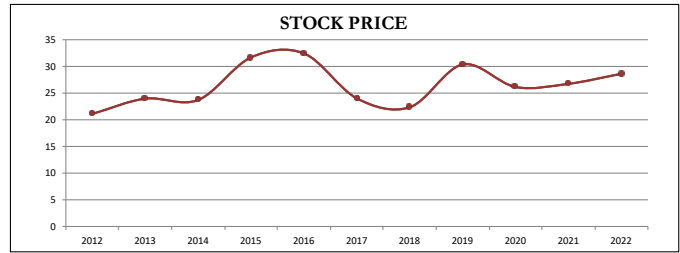
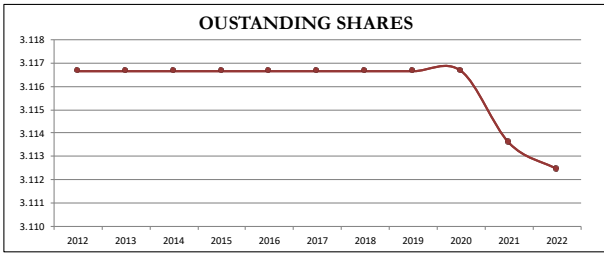


# Inditex (ITX)

Report Date: 11/05/2023  
 Fiscal Year End Date: 31 January

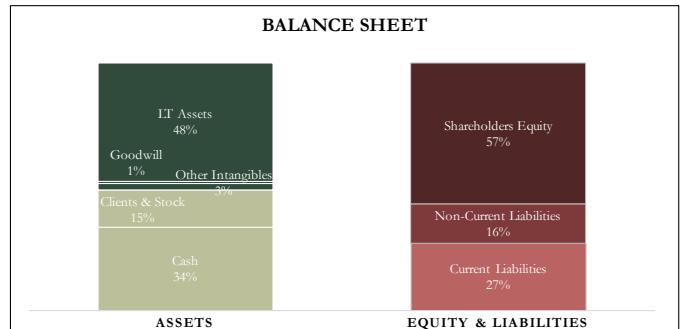
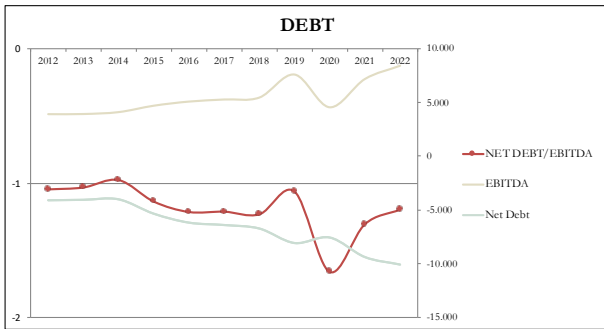


2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (e)	(Fiscal Year End date)
3.117	3.117	3.117	3.117	3.117	3.117	3.117	3.117	3.117	3.114	3.112	3.112	Outstanding Shares (Millions)
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.10%	-0.04%	-0.01%	Δ Outstanding Shares vs Last Year CAGR
21.10	23.96	23.71	31.69	32.43	24.00	22.35	30.37	26.13	26.74	28.62	31.20	Share Price (€)
65.761	74.675	73.880	98.767	101.073	74.800	69.657	94.653	81.438	83.257	89.078	97.420	Market Cap. (€ Millions)

## SHARE REPURCHASE - SCORE

Share Repurchase: 3

Normally flat, in the recent years they have implemented Temporary Repurchase plans.



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (e)	(€ Millions)
6.692	6.765	7.106	8.449	9.898	10.147	10.620	11.414	10.957	13.602	14.639	14.639	SHORT TERM ASSETS
4.104	4.060	4.020	5.357	6.239	6.415	6.815	8.113	7.576	9.417	10.091	10.091	Cash
1.581	1.677	1.860	2.195	2.549	2.685	2.716	2.269	2.321	3.042	3.191	3.191	Stock & Clients
1.007	1.028	1.226	897	1.110	1.047	1.089	1.032	1.060	1.143	1.357	1.357	Other Short Term Assets
6.198	6.991	8.231	8.908	9.723	10.084	11.064	16.977	15.461	15.343	15.344	15.344	LONG TERM ASSETS
207	203	198	193	196	207	206	207	201	202	193	193	Goodwill
125	133	153	190	211	255	346	410	444	589	810	810	Other Intangibles
3%	2%	2%	2%	2%	2%	3%	2%	2%	3%	3%	3%	% INTANGIBLES / TOTAL ASSETS
12.890	13.756	15.337	17.357	19.621	20.231	21.684	28.391	26.418	28.945	29.983	29.983	TOTAL ASSETS
3.485	3.462	3.749	4.670	5.451	5.173	5.383	7.306	6.338	8.030	8.137	8.137	CURRENT LIABILITIES
2	3	8	10	62	12	84	32	11	35	13	13	Short Term Debt
3.483	3.460	3.741	4.660	5.389	5.161	5.299	7.274	6.327	7.995	8.124	8.124	Other Current Liabilities
923	1.016	1.159	1.236	1.419	1.536	1.619	6.136	5.530	5.156	4.813	4.813	NON-CURRENT LIABILITIES
4	2	2	1	4	5	6	3	3	1	1	1	Long Term Debt
4.408	4.478	4.908	5.906	6.870	6.709	7.002	13.442	11.868	13.186	12.950	12.950	TOTAL LIABILITIES
8.482	9.278	10.429	11.451	12.752	13.522	14.682	14.949	14.550	15.759	17.033	17.033	TOTAL EQUITY
8.440	9.415	10.296	11.526	12.713	13.747	14.653	14.913	14.520	15.733	17.008	17.008	Retained Earnings
36	32	38	41	38	25	30	36	30	26	25	25	Minority Interests
66%	67%	68%	66%	65%	67%	68%	53%	55%	54%	57%	57%	FINANCIAL AUTONOMY
1.92	1.95	1.90	1.81	1.82	1.96	1.97	1.56	1.73	1.69	1.80	1.80	LIQUIDITY RATIO
1.18	1.17	1.07	1.15	1.14	1.24	1.27	1.11	1.20	1.17	1.24	1.24	CASH RATIO
-4.097	-4.055	-4.010	-5.346	-6.178	-6.399	-6.726	-8.075	-7.562	-9.381	-10.078	-10.078	Net Debt
34%	33%	32%	34%	35%	33%	32%	47%	45%	46%	43%	43%	Debt Ratio
79%	77%	76%	79%	77%	77%	77%	54%	53%	61%	63%	63%	Debt Quality
-1.05	-1.03	-0.98	-1.14	-1.22	-1.21	-1.23	-1.06	-1.66	-1.31	-1.20	-1.20	NET DEBT/EBITDA

## BALANCE SHEET - SCORE

<b>Intangibles</b>	5
Insignificant	
<b>Debt</b>	5
Negative Debt	
<b>Liquidity</b>	4
Very high	
<b>Retained Earnings</b>	4
Always growing except for 2020 due to the pandemic. The reduction was very small	
<b>Financial Autonomy</b>	5
High	

## INCOME STATEMENT

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
15,946	16,724	18,117	20,900	23,311	25,336	26,145	28,286	20,402	27,716	32,569		Sales
	4.9%	8.3%	15.4%			8.2%	3.2%	-27.9%	35.8%	17.5%		Δ Sales vs Last Year
											7.40%	CAGR
3,913	3,926	4,103	4,699	5,084	5,277	5,457	7,598	4,552	7,183	8,419	2,914	EBITDA
3,117	3,071	3,198	3,677	4,021	4,314	4,357	4,772	1,507	4,282	5,520		EBIT
3,131	3,053	3,245	3,747	4,078	4,351	4,428	4,681	1,401	4,199	5,358		EBT
2,361	2,377	2,501	2,875	3,157	3,368	3,444	3,647	1,104	3,250	4,147		Net Earnings
20%	18%	18%	18%	17%	17%	17%	17%	7%	15%	17%		Operating Margin
15%	14%	14%	14%	14%	13%	13%	13%	5%	12%	13%		Net Margin
18%	17%	16%	17%	16%	17%	16%	13%	4%	11%	14%		ROA
28%	26%	24%	25%	25%	25%	23%	24%	8%	21%	24%		ROE
71%	59%	50%	60%	61%	61%	55%	69%	22%	67%	79%		ROCE

## INCOME STATEMENT - SCORE

**Sales** 5

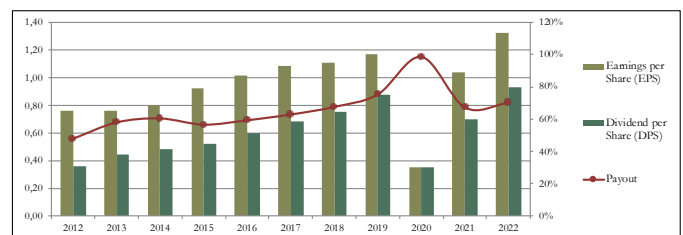
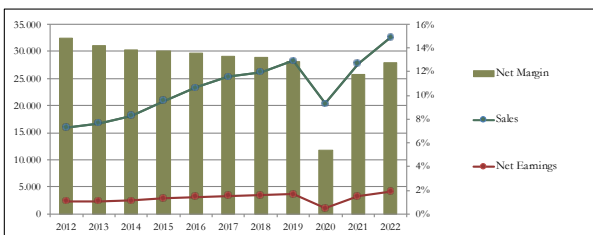
Very growing sales at rates higher than its competitors

**Net Margin** 4

Very high margins, especially for a sector as competitive as fashion

**ROE/ROCE/ROA** 5

Excellent Profitability Ratios



## DIVIDEND

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
0,76	0,76	0,80	0,92	1,01	1,08	1,11	1,17	0,36	1,04	1,33	1,66	Earnings per Share (EPS)
	0,7%	5,2%	15,0%	9,9%	6,7%	2,6%	5,2%	-69,6%	193,3%	27,4%		Δ EPS vs Last Year
											5,77%	CAGR
0,36	0,44	0,48	0,52	0,60	0,68	0,75	0,88	0,35	0,70	0,93	1,20	Dividend per Share (DPS)
	21,95%	9,63%	7,65%	15,23%	13,12%	10,29%	17,33%	-60,23%	100,00%	32,86%	29,03%	Δ DPS vs Last Year
48%	58%	60%	57%	59%	63%	68%	75%	99%	67%	70%		Payout
1,72%	1,84%	2,04%	1,65%	1,85%	2,83%	3,36%	2,90%	1,34%	2,62%	3,25%	3,83%	Dividend Yield
											6,61%	Expected Dividend Yield in 5Y
											11,38%	Expected Dividend Yield in 10Y
											11,50%	CAGR

## DIVIDEND - SCORE

**Dividend** 2

Not too high but correct

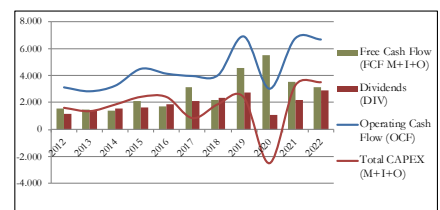
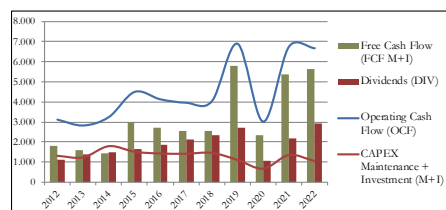
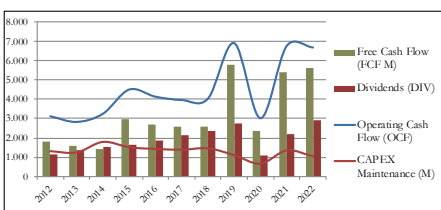
**Growth** 4

Pretty growing

**Payout** 2

A bit high but still in acceptable ranges

## CASH FLOW



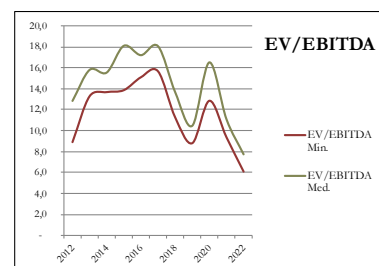
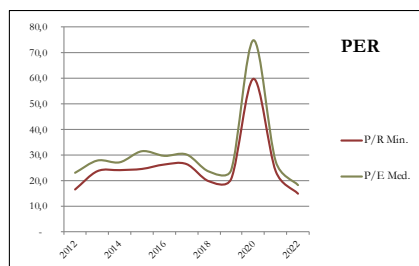
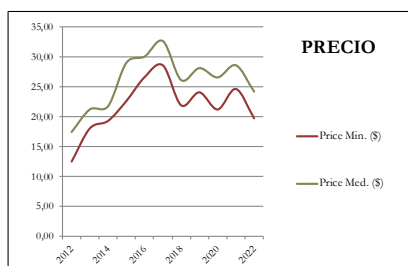
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
3,119	2,827	3,248	4,500	4,131	3,961	4,029	6,900	3,017	6,754	6,674		Operating Cash Flow (OCF)
1,315	1,250	1,797	1,518	1,431	1,391	1,462	1,112	672	1,356	1,055		CAPEX Maintenance (M)
1,315	1,239	1,797	1,518	1,431	1,421	1,462	1,112	677	1,356	1,055		CAPEX Maintenance + Investment (M+I)
1,599	1,351	1,847	2,416	2,396	833	1,875	2,377	-2,514	3,253	3,504		Total CAPEX (M+I+O)
1,804	1,577	1,451	2,982	2,700	2,570	2,567	5,788	2,345	5,398	5,619		Free Cash Flow (FCF M)
1,804	1,588	1,451	2,982	2,700	2,540	2,567	5,788	2,340	5,398	5,619		Free Cash Flow (FCF M+I)
1,519	1,476	1,400	2,084	1,735	3,128	2,154	4,523	5,531	3,501	3,170		Free Cash Flow (FCF M+I+O)
1,130	1,378	1,510	1,526	1,871	2,127	2,335	2,741	1,090	2,192	2,914		Dividends (DIV)
796	855	905	1,022	1,063	963	1,100	2,826	3,045	2,901	2,899		Depreciation / Amortization

## CASH FLOW - SCORE

**Cash Flow** 4

Increasing trend and generally sufficient to pay increasing dividends

## ANALYSIS - VALUATION



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	
27,9	31,4	29,5	34,4	32,0	22,2	20,1	26,0	75,6	25,7	21,6		P/E (Fiscal Year End date)
15,8	18,0	17,0	19,9	18,7	13,0	11,5	11,4	16,2	10,3	9,4		EV/EBITDA (Fiscal Year End date)
22,36	24,36	24,20	35,38	33,47	36,67	30,31	32,15	31,89	32,54	28,62		Price Max. (\$)
12,49	18,03	19,29	22,61	26,60	28,56	21,88	24,05	21,19	24,61	19,71		Price Min. (\$)
17,43	21,20	21,75	29,00	30,04	32,62	26,10	28,10	26,54	28,58	24,17		Price Med. (\$)
23,0	27,8	27,1	31,4	29,6	30,1	23,5	24,1	74,8	27,4	18,2		P/E Med.
16,5	23,6	24,0	24,5	26,2	26,4	19,7	20,6	59,7	23,6	14,9		P/R Min.
34,830	32,138	36,110	65,122	76,725	82,615	61,476	66,880	58,480	67,244	51,268		EV Min.
50,211	62,002	63,761	83,021	87,431	95,251	74,608	79,503	75,154	79,589	65,134		EV Med.
8,9	13,3	13,7	13,9	15,1	15,7	11,3	8,8	12,8	9,4	6,1		EV/EBITDA Min.
12,8	15,8	15,5	18,1	17,2	18,1	13,7	10,5	16,5	11,1	7,7		EV/EBITDA Med.
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
4,788	5,075	5,379	5,702	6,044	6,407	6,791	7,199	7,631	8,088	8,574		FCF Forecast (\$)
	4,656	4,528	4,403	4,282	4,164	4,049	3,938	3,830	3,724	3,622	3,730	FCF Discounted (\$)

### PRICE MULTIPLES VALUATION

By PER Med.	\$38,68
By EV/EBITDA Med.	\$37,44
By Closer Support	\$25,00
By PER Min.	\$32,69
By EV/EBITDA Min.	\$31,52
By Farther Support	\$21,15

### PRICES (DISCOUNTED CASH FLOW)

CAGR 10Y	6%
Perpetual CAGR	3%
Discount	9%
Target Price	\$33,81
Security Margin	\$28,74
Security Margin	\$23,67

### PRICE RANGE

1° TARGET PRICE	\$32,46
2° TARGET PRICE	\$27,26

These prices are calculated based on an average between Discounted Cash Flows and Historical Prices. For discounts, we estimate a free cash flow based on the average of the last 4 years, while the multiples are generated from the average and minimum PER and EV/EBITDA ratios from 2017.

### TOTAL SCORE

#### FINANCIAL HEALTH

Intangibles	5
Debt	5
Liquidity	4
Retained Earnings	4
Financial Autonomy	5

#### PROFITABILITY

Sales	5
Net Margin	4
Ratios	5
Adjustment	5

#### DIVIDEND

Dividend	2
Growth	4
Payout	2
Repurchase	3
Cash Flow	4

### CONCLUSION

DIVIDEND ST. - FINAL SCORE **4,07**